

**DELAWARE MANUFACTURING HOME RELOCATION AUTHORITY**

1675 S. State Street  
Dover, Delaware

Minutes of August 15, 2012

**IN ATTENDANCE:**

Authority: Anthony J. Testa, Jr., Chairman  
Rick Lemire  
Andy Strine  
Mitch Crane  
Kevin Carroll (non-voting member)  
Susanne Lantz (Administrative Assistant)

Absent: George Meldrum

Legal Counsel: William Denman (arrived at 3 PM)

Other Attendees: Leonard Sears, Tenant Briarwood Manor  
John Myers, Tenant Cool Branch

**I. CALL TO ORDER:**

Mr. Testa called the meeting to order at 1:15 p.m.

**II. REVIEW AND APPROVAL OF MINUTES:**

Mr. Testa made the motion to modify the agenda. Mr. Testa suggested to focus on the reports, the Executive Matters and discuss the recent developments. Mr. Strine and Mr. Crane seconded the motion.

Mr. Testa made the motion to approve the last meeting minutes with a change on Page 7 (Concept of Volunteer Assistance). The consensus at the 9 May Board Meeting was not to seek volunteer assistance at this time. Mr. Crane and Mr. Lemire seconded that motion. The Board approved the 9 May, 2012 meeting minutes unanimously.

**III. REPORTS:**

**A. COMPLIANCE MATTERS:**

**1. ANNUAL REGISTRATION REPORT (MS. LANTZ):**

The Board agreed that Forest MHP should be listed on this report. Ms. Lantz will add the park to the report.

Nobles Pond: Mr. Testa stated from what he remembers Nobles Pond was a SB 213 issue and this has not been signed into law. Mr. Testa stated that we have tried for years to have them registered. Mr. Strine believed it was not worth wasting the Authorities time. Mr. Testa questioned do we want to defer it? Mr. Crane stated that we operate under the current, not future possible laws. Mr. Testa made the motion to follow the Compliance Policy and send a letter to Nobles Pond to register. Mr. Lemire and Mr. Crane seconded the motion. Mr. Strine opposed.

M& S MHP, The Village at Grandview: There is a Judgment against the owner of both parks. Mr. Lemire stated that is what we have HB167 in place for to collect attorney's fees. Mr. Crane believed it would be a great accomplishment to get the Money from the Judgment. Mr. Testa suggested to have legal counsel execute Judgment against both parks. Mr. Crane and Mr. Lemire agreed. It was unanimously accepted by all Board Members present by voice vote.

## 2. INVESTIGATOR'S REPORT (MR. SPERAW):

Mr. Testa stated that Mr. Speraw was not needed today for the meeting, although he had showed up for the meeting. Mr. Testa excused him from the meeting and Mr. Speraw left.

## 3. PARK COMPLIANCE REPORT (MS. LANTZ):

### i. Judgments Filed & Unsatisfied:

A&A TP: It was discussed what to do about the park. The owner is evading process by the Sheriff. This park will be discussed in Executive Session. The Board decided that Mr. Denman find the deed for the park.

Dover Air Park: Suit was filed in 2009 against Bruce Renner, the old owner. The park was sold to a new owner, L.W. Stanley, who is in compliance. Nothing has been done since the lawsuit was filed, is it still valid? Mr. Testa questioned if we should turn it over to legal counsel? The park was discussed with Legal Counsel and it was decided to abandon efforts on this park and take off this report.

Hartly MHP: The park was sold prior to the lawsuit. Previous owner was KB Investments, new owner is H. J. Lopez. The Board discussed what to do regarding this park. The Board discussed this with Legal Counsel and decided to abandon all efforts per Legal Counsel's advice. The park will come off the report.

Pine Haven Campground: Ms. Lantz stated that she had talked to Mr. Cohee twice in regards to him paying the remainder, but Mr. Cohee never showed up as promised. Mr. Crane thought the Authority needed to do something about it. After discussing this park with Legal Counsel it was decided to file for judgment.

The Crossings at Oak Orchard: The matter was discussed with Legal Counsel and it was decided to notify the lien holder. Mr. Denman will do this.

Vanessa MHP: Ms. Lantz talked to the owner and he registered finally, but never brought by the promised check. Mr. Testa stated that the Authority needs to stick with the policy

and pursue when people don't register and don't pay into the Trust Fund. The Board discussed this matter with Legal Counsel and it was decided to file for default judgment.

Forest MHP: The owner is still not in compliance. She met the judgment and the check was deposited into the Operating Account pending her setting up an account with DOR. The Authority will take the necessary steps and follow the policy regarding Forest MHP.

Hilltop MHP: The Board decided that we already have a judgment against the park and will have legal counsel execute against the judgment in the future, after pursuing an injunction against Little Creek Properties first.

Pine Ridge TP: At the 9 May 2012 Board Meeting it was decided to send one final letter to the owner of Pine Ridge MHP. Ms. Lantz stated that the certified letter was never picked up and was returned to the Authority. The First Class Letter never came back, so she had to have received that. We never received a response and they are not in compliance. With this park the father passed it on to his daughter. We have a judgment against the park. The Board decided to have legal counsel execute against the judgment in the near future, but wanted to file first against Little Creek Properties.

M & S MHP: The Board decided to file for an injunction against this community.

The Village at Grandview: The Board decided to file for an injunction against this community.

#### ii. Former Park Compliance Issues Pending:

Bork MHP: Ms. Lantz passed the information on to legal counsel. Mr. Denman asked that Ms. Lantz re-send him the information regarding the park.

Burton MHP: A letter was sent to the tenants alerting them that the park owner claims the park is seasonal. The tenants have 75 days to respond. No response from the tenants yet. The Board discussed this issue. It was decided that Mr. Lemire give the Compliance Investigator directive to go out in November to take a look at the park.

L & W: Will be taken off the report. Mr. Testa suggested a new report called Parks removed. Ms. Lantz stated she could do that and create a new spreadsheet.

Lowes MHP: Mr. Crane asked, is the Authority mentioned in the bankruptcy action? Mr. Strine stated that a Campground is not the usual MHP. Ms. Lantz stated there were about 3 lots and it was going to go down to 2. Mr. Denman will contact the attorney for Lowes MHP. Mr. Lemire suggested that Ms. Lantz forward the report from the Compliance Investigator to all Board Members.

Maranatha Court: The Board decided to file suit.

Palmer Park: A final letter was sent out. No response was received. The Board decided to have legal counsel file suit.

Probst MHP: The Board decided to file suit.

Mr. Testa stated that he wanted legal counsel to train Ms. Lantz on filing for judgments in JP Court. Mr. Testa stated that the Authority would fill out the necessary forms and sign it off for the Authority. The Board also decided that legal counsel would train Ms. Lantz on the necessary procedures.

Satterfield MHP: A final letter was sent out. No response was received. The Board decided to have legal counsel file suit.

Union Street: Ms. Lantz verified with help from Kent County that the lots are not next to each other. One home on one parcel, therefore it does not fall under the assessment for the Trust Fund. The Board agreed and it was decided to move this park to the new report.

iii. Recent Park Compliance Issues Arising & Resolved:

Brumbleys Family Park: Ms. Brumbley states that she is down to 1 leased lot. Mr. Testa stated we could send out the Compliance Investigator. The Board decided that we will send out the HB504 letter to the park now.

Briarwood MHP & Scottsdale MHP: The Board decided to discuss this with legal counsel as he had sent out letters to both parks and Del Haven Court.

Lockhart MHP: The park is now called THP LLC after purchasing it from Ms. Lockhart. The new owner is in compliance and will come off the list.

Minquadale: The settlement agreement was signed, but Ms. Lantz is not sure about the payment. The second quarter of 2012 was paid. Mr. Crane suggested should the Authority contact the Secretary of Finance if it takes so long for DOR to post payments? The Board decided that Ms. Lantz give Minquadale a call to find out when the first payment was made and ask for a copy of the check.

Silver Oaks MHP: The park is current on payments and will come off the report.

**B. RECENT FINANCIAL ACTIVITY & REPORTS:**

Mr. Lemire asked if the Authority was still receiving the Missed Payment Report. Mr. Testa confirmed this and stated that if the Board Members want a copy of any report, they will receive a copy.

The Board accepted the financial reports and had no comments.

**C. AUDIT COMMITTEE REPORT (MR. LEMIRE):**

MOU between the Authority and the Auditor General's Office. Mr. Lemire had forwarded to Mr. Testa a proposed Memorandum of Understanding between the Auditors Office and the Authority. There was a question in regards to signing this. Mr. Lemire had never signed it and had no choice in the matter.

Mr. Testa stated it made no sense to him, if we use the State Auditor we have to reimburse them. Mr. Testa send the Board is proposed changes and then send it to the State Auditor's office. Mr. Testa handed out copies of the response he got

from the Auditor's office to all Board Members. The State Auditor's office already signed up the Santora Group for another two years without consulting with the Authority. They have requested the Authority to sign and return the agreement.

Mr. Testa stated that this is something new the Auditor's office is doing. A discussion ensued regarding this.

The Board decided that Mr. Testa had no authority to sign this.

#### **IV. EXECUTIVE SESSION:**

Mr. Testa made the motion to go into Executive Session at 3.35 p.m. Mr. Strine seconded the motion. Unanimous approval was given by all members present by voice vote.

Mr. Testa made the motion to come out of Executive Session at 4.00 PM. Mr. Crane seconded the motion. Unanimous approval was given by all members present by voice vote.

Mr. Testa made the motion to advise Legal Counsel to proceed with injunction against both Little Creek Properties. Mr. Lemire seconded the motion. Unanimous approval was given by all members present by voice vote.

Mr. Testa made the motion to accept the changes to the Collection Enforcement Policy. Mr. Strine seconded the motion. Unanimous approval was given by all members present by voice vote.

Mr. Testa made the motion to increase the pay for the support staff. Mr. Lemire seconded the motion. Unanimous approval was given by all members present by voice vote.

#### **V. UNFINISHED BUSINESS:**

A. COMPLIANCE INVESTIGATION POLICY (COMMITTEE REPORT):  
Deferred until next Board Meeting.

B. DIRECTORS & OFFICERS LIABILITY INSURANCE (MR. TESTA):  
Deferred until next Board Meeting.

C. ORGANIZATIONAL PROCEDURES (MR. TESTA):  
Deferred until next Board Meeting.

D. FINANCIAL PRACTICES POLICY & COMMITTEE FORMATION (MR. TESTA):  
Deferred until next Board Meeting.

E. FOIA PROCESS & PROCEDURES (MS. LANTZ):  
Deferred until next Board Meeting.

F. FEDERAL TAX MATTERS (MR. TESTA)  
Deferred until next Board Meeting.

G. AUTHORITY PROPOSED AMENDMENT TO SENATE BILL 213 (MR. CRANE)

Deferred until next Board Meeting.

I. HOA REGISTRATION NOTIFICATION (MR. TESTA/MS. LANTZ)

Deferred until next Board Meeting.

**VI. NEW BUSINESS:**

A. RECENT DEVELOPMENTS:

*1. Notice of Sale of Del Haven Court*

Mr. Denman stated that he had talked to the attorney for Del Haven. Therefore Del Haven sent the Authority a Right of First Offer letter and the tenants were informed and the letter sent out on August 8, 2012. Mr. Lantz will send a copy to Mr. Carroll.

Mr. Testa asked if the Authority needed to do anything further in regards to Del Haven? Mr. Denman stated that he does not believe so.

*2. Notice of Intent to Sell – Briarwood HMP (KDM)*

A letter was sent to KDM Properties by Mr. Denman reminding them of their obligation to the Authority in regards to selling their community. No response has been received at this time.

*3. Notice of Intent to Sell – Scottsdale MHP (KDM)*

A letter was sent to KDM Properties by Mr. Denman reminding them of their obligation to the Authority in regards to selling their community. No response has been received at this time.

B. OTHER NEW BUSINESS:

1. PROPOSE MAXIMUM BENEFIT PAYABLE TO OWNERS OF NON-RELOCATABLE HOMES:

Deferred until next Board Meeting.

2. POSSIBLE ADDITIONAL BOARD MEETING(S) (ALL):

Mr. Testa stated that we need to have an additional meeting to the one in November as we need to respond to the JSC by 28 September 2012.

The Board agreed to meet on 19 September 2012 and will go over the Unfinished Business that could not be discussed today.

3. REQUEST TO PURCHASE SCANNER FOR AUTHORITY (MR. TESTA):

Deferred until next Board Meeting.

4. USE OF RECORDING DEVICE AT BOARD MEETINGS (MR. CRANE):

Deferred until next Board Meeting.

#### 5. BDO ENGAGEMENT LETTER:

Mr. Testa stated that the letter was forwarded to all Board Members for review. The Board had no comments on the proposed letter. Mr. Testa stated he had some comments, the fees are the same, the letter would bind us for another year. Per Mr. Testa there are some things on there that are not applicable to the Authority, if we incur fees we should be advised ahead of time, not afterwards. What has not been stated is that the records are not Falcidian's, but they belong to the Authority. Those are the changes that Mr. Testa wanted to make. Mr. Testa made the motion to request Falcidian to make the changes and will sign this on behalf of the Authority. Mr. Strine and Mr. Crane seconded the motion. All Board Members present by voice vote accepted the motion.

#### **VII. PUBLIC COMMENTS:**

Mr. Denman addressed the visitors from Briarwood and Cool Branch

Mr. Denman stated that the Authority has no jurisdiction or responsibility over water or septic problems. With respect to the Right of First Offer, if a community has a HOA they are required to register that HOA with us. Community owners are also required to register with us. If there is an HOA we let the community owner know. When the park gets put up for sale and there is a HOA, the community owner communicates directly with the HOA and the Authority is not involved in that. Mr. Denman further stated that if the tenants believe that something is wrong they have the right to file a complaint with the Attorney General's office and they have the right to seek help with an attorney if they believe the park is being sold from under them. The Authorities role is limited by the statute.

#### **VIII. ADJOURNMENT:**

As there was no further business before the Board, the motion was made for adjournment by Mr. Testa and seconded by Mr. Strine. After unanimous approval from the members present, the meeting was adjourned at 4.50 p.m.

Respectfully submitted,

Susanne Lantz  
Administrative Assistant and  
Anthony J. Testa, Jr., Chairman